

ASSEMBLY BILL

No. 769

Introduced by Assembly Member Aghazarian

February 22, 2007

An act to add Section 6358.3 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 769, as introduced, Aghazarian. Sales and use taxes: exemptions: fuel to transport biomass.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property, and provides various exemptions from that tax.

This bill would additionally exempt from that tax fuel that is used to transport biomass, as defined.

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6358.3 is added to the Revenue and
2 Taxation Code, to read:
3 6358.3. (a) There are exempted from the taxes imposed by
4 this part, the gross receipts from the sale in this state of, and the
5 storage, use, or other consumption in this state of, fuel that is used
6 to transport biomass.
7 (b) For purposes of this section, “biomass” means any organic
8 matter not derived from fossil fuels, that is available on a renewable
9 or recurring basis, including agricultural crops and trees, wood
10 and wood wastes and residues, plants, including aquatic plants,
11 grasses, residues, fibers, and animal wastes, municipal wastes, and
12 other waste material.
13 SEC. 2. Notwithstanding Section 2230 of the Revenue and
14 Taxation Code, no appropriation is made by this act and the state
15 shall not reimburse any local agency for any sales and use tax
16 revenues lost by it under this act.
17 SEC. 3. This act provides for a tax levy within the meaning of
18 Article IV of the Constitution and shall go into immediate effect.
19 However, the provisions of this act shall become operative on the
20 first day of the first calendar quarter commencing more than 90
21 days after the effective date of this act.

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